

Weather Forecast

Mostly sunny high in lower 90s; clear tonight, low about 70. Tomorrow cloudy, continued warm, humid.

Temperatures today—High, 94, at 1 p.m.; low, 70, at 4:34 a.m. Yesterday—High, 92, at 3:38 p.m.; low, 72, at 5:10 a.m.

Closing N. Y. Markets—Sales, Page A-15.

The Evening Star

WITH SUNDAY MORNING EDITION

Guide for Readers

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May Defends Himself in House Speech After Mead Declares His Testimony 'Wholly Inadequate'

Admits Possible Breach of Rules in Aiding War Effort

Characterizing himself as the victim of "sinister attacks" concerning his relations with an Illinois munitions combine, Chairman Andrew J. May of the House Military Affairs Committee told the House today he had never used "one penny of anybody's money except my own."

The 71-year-old Kentucky Democrat admitted that "in my zeal to promote the war effort, I may have in some thoughtless moment gone behind the rules of propriety by merely speaking to a general over the telephone and asking for treatment for a business concern." This, he added, could not be construed as corrupting any one.

Mead Critical of Testimony.
Mr. May took the floor for a 45-minute speech after Chairman Mead of the Senate War Investigating Committee, inquiring into war profits, had termed "wholly inadequate" the testimony the Kentucky gave the committee in closed session June 4 about his connection with the Illinois combine.

Senator Mead expressed the hope that Mr. May would accept the committee's invitation to appear and explained the "many references" to his connection with the combine.

In his statement to the committee, Chairman Mead said: "He (May) was not under oath. He left the impression with the committee that he made a few disinterested telephone calls that were more or less incidental. Testimony has since revealed that he made many telephone calls which were repetitious and troublesome."

Failed to Accept Invitation.
"The committee has invited him to testify in open session and give whatever information he may have, but he has so far failed to accept that invitation."

In his testimony last month before the Mead committee, Mr. May said he had not profited in any way from the Cumberland Lumber Co., to which the Illinois combine had advanced more than \$48,000. Other testimony had brought out that more than \$100,000 of the lumber company's checks and drafts were endorsed by A. J. May.

Senator Mead said he was his understanding that Mr. May had requested that the June 4 testimony be made public, and further that he had "intimated that it was to be his answer."

No Mention of Illinois Firms.
When the committee heard Mr. May, Senator Mead said, it was at the Kentucky Senator's request, and no mention was made of Erie Basin Metal Products Co. or Batavia Metal Products Co., checks of which were given to the Cumberland Lumber Co. in public testimony as having been given to the Cumberland Lumber Co. of Prestonsburg, Ky., for lumber which was never delivered.

Further, Senator Mead said, "no mention was made of the signatures of A. J. May which appeared on the backs of some of the checks." Mr. May was not cross-examined, the chairman added.

The committee has received in evidence a certificate, filed with the Kentucky Secretary of State, designating Andrew J. May as agent for the Cumberland Lumber Co. Incorporation papers in Delaware listed the lumber company's president as Henry Garsson who also was the principal figure in the Illinois combine.

Mead Attacks Coercion Attempt.
A check from some of the munitions firms "paid" by the company, introduced in evidence Saturday, bore the endorsement "A. J. May, president."

Senator Mead assailed what he declared was an attempt by public relations representatives of Henry Garsson's interests to "intimidate and coerce a Senate committee."

In Mr. May's statement to the committee last month, the Kentucky told, among other things, that his son, the late J. May, Jr., was employed on the lumber project in Kentucky known as the Cumberland Lumber Co.

The committee has received testimony from Army Ordnance officers that Mr. May repeatedly importuned them to give contracts to the Illinois combine.

(See MAY, Page A-3.)

Barkley Admits New OPA Bill Doesn't Fill Truman's Demands

Leader Asks Senate for Prompt Action; Taft Challenges Profit Yardsticks

By J. A. O'Leary

MEAT SUPPLY improving; retail stores trying to maintain ceiling prices. Page B-1

Majority Leader Barkley told the Senate this afternoon in a wrangle with Senator Taft, Republican of Ohio, which marked the opening of debate on the new OPA bill, that he had "disregarded" some of President Truman's veto message complaints in drafting the price control revival bill.

Senator Taft lost no time in challenging Senator Barkley's new profit yardstick, which constitute the only changes the Banking Committee made in the original vetoed bill.

Senator Barkley admitted the new bill does not meet all the President's objections, but said he entertained a hope the President would sign the bill in its present form.

The majority leader made a plea for prompt action on the bill to shorten the "hiatus" of no control.

Senate Committee Approves Truman Reorganization Plan

Enactment Is Believed Assured in View of Judiciary Group's Action

By Joseph Young

The Senate Judiciary Committee today favorably reported President Truman's three plans to reorganize the Government, thereby making it virtually certain the proposals will become law.

Under the Reorganization Act of 1945, any presidential proposal must be voted by both the House and Senate within 60 days, otherwise the plan becomes law. Although the House has rejected all three plans, today's action by the Senate Judiciary Committee makes it almost certain that the Senate will not take adverse action on the plans.

Committee members said they thought the Senate would not even take up consideration of the proposals in view of the favorable report by the Judiciary Committee.

NHA Made Permanent.
High lights of the President's proposals include making permanent the National Housing Agency, transferring Federal health activities to the Federal Security Agency, abolishing the United States Employees Compensation Commission and the transfer of its functions to the FSA, and the taking away from St. Elizabeth's Hospital of mental cases from the armed forces.

Chairman McCarran said the committee's vote in favor of Mr. Truman's plans was 10-6. Under the law, the proposals will become effective next Tuesday if the Senate does not reject the plans. President Truman submitted his proposals May 16.

President Truman's plan No. 1 calls for the consolidation of all Federal housing activities under the National Housing Agency. Plan No. 2 calls for the transfer of the Children's Bureau and the vital statistics functions of the Census Bureau to the Federal Security Agency. The plans also transfer the United States Employees Compensation Commission, which settles injury claims of Government workers, to the Federal Security Administration.

Interagency Changes.
Plan No. 3 contains a number of interagency changes and the St. Elizabeth's Hospital mental cases transfer. Another feature of the plan would establish the office of Assistant Commissioner of Education, Federal Board of Vocational Education and Board of Visitors of St. Elizabeth's Hospital.

During House and Senate hearings on the proposals, business representatives objected to plan No. 1 on the grounds that it would "socialize" the building industry. Likewise, some doctors opposed plan No. 2 on the grounds that it would lead to "socialization" of the medical profession. However, the American Medical Association approved the plan.

Representative Randolph, Democrat of West Virginia, who led the fight in the House to approve President Truman's plans, disputed these contentions, asserting that reorganization of Government agencies was badly needed in the interest of more efficient Government and economy.

London Meat Piles Up As Truckmen Strike

By the Associated Press

LONDON, July 8.—London's meat supply went undistributed today as truck drivers and porters struck to protest employment of non-union drivers.

Two thousand striking longshoremen at Southampton refused to stay out until Thursday while negotiations were being conducted on their demands for employment of more unloading gangs. Soldiers were ordered to unload tomatoes and oranges.

Fields Is Linked With Job Offer To Investigator

By Carter Brooke Jones

The story of the Garrison munitions empire in Illinois took another fantastic twist today when Thomas O'Connell, a committee investigator, testified that Benjamin F. Fields, previously described as having attempted to bribe Senator Mitchell, Democrat, of Washington, was present when a former committee investigator gave the witness \$500 in Chicago to drop the investigation and go to New Mexico.

The committee was told that Fields, sought by the committee, was reported "on an extended trip" and could not be located.

The former committee investigator, Joe L. Martinez, introduced Fields at a Chicago hotel, Mr. O'Connell testified.

Witness Says He Returned Money.
The plan was, the witness said, for him to go to New Mexico to finance a campaign for Martinez for Governor, allegedly under sponsorship of Senator Chavez, Democrat, of New Mexico. Mr. O'Connell said he was to get \$10,000 a year—about twice what the Senate investigating committee was paying him. As he left them, he added, Martinez gave him five \$100 bills for his expenses to return to Washington and then to go to New Mexico. It was brought out that Martinez no longer is with the committee, having resigned some time ago.

Mr. O'Connell said he returned the \$500 when he realized that the whole thing was a plot to get him out of the investigation of the munitions combine, on which he had been engaged for some time. He also gave a complete description of what the 18 companies under the chief committee counsel today, Mr. O'Connell read the committee this letter.

Mr. Meader interrupted to tell the committee that he had read the letter to Senator Chavez this morning and the New Mexico Senator had authorized him to say he had never seen or heard of Fields.

Garsson Inquiry Interrupted.
This parenthetical testimony occupied much of the morning session, interrupting the committee's inquiry into the operations of the 18 companies headed by Dr. Henry W. Garsson, for whom Chairman May of the House Military Affairs Committee had intervened several times at the War Department.

It started with an identification of Fields, a public relations counsel here, by Senator Mitchell as that of the man who tried to bribe him last fall. The Senator, member of the investigating committee, expected that he long ago had told the committee about this in executive session and effort to locate him had been made futilely to locate the man.

"This is the man," said the Senator, "who called on me last fall and represented himself as a representative of King Farouk of Egypt, and offered me \$10,000 in the form of a campaign contribution. I could be called nothing else but a bribe. I think the committee should be told."

(See WAR PROFITS, Page A-11.)

Truman, Back at Desk, Talks With Party Chiefs

President Truman, back at his desk after a four-day holiday at his ranch in the Blue Mountains, today met with his congressional leaders today on OPA and British loan prospects.

OPA Administrator Paul Porter also was expected to discuss the efforts to revive price control with the President.

Mr. and Mrs. Truman returned to the White House by automobile yesterday afternoon. The President stayed over the long Fourth of July week end at Shangri-La, the presidential retreat in the Catskill Mountains, where he relaxed with long walks and dips in a swimming pool.

With so many major problems pending, the President was said by close associates to have all but abandoned hopes for any long vacation this summer.

Mr. Truman told correspondents, however, that he may make frequent trips to Shangri-La.

U. S. Sentry Fires On Gangs Battling Outside Manila Camp

By the Associated Press

MANILA, July 8.—Unidentified bands fought a pitched battle on the outskirts of Fort McKinley, United States Air Force headquarters six miles southeast of Manila, shortly after midnight this morning. At one point the skirmish moved so near that an American sentry opened fire.

His shotgun blast is not believed to have wounded any one. The sentry said slugs which he thought were 45 caliber whizzed near him before he fired.

Philippine Army military police moved into the fray and dispersed the battlers. Whether it was a fight between political groups or merely a battle between rival "commercial bandits" was not established, they said.

Meanwhile, Central Luzon's virtual state of siege headed for a possible showdown as Interior Secretary Zulueta announced the Philip-



'Washington Slept Here'

Big Four Ministers Still Deadlocked on Bids to Peace Talks

Unable to Find Solution To Molotov's Stand On Rules of Procedure

By the Associated Press

PARIS, July 8.—The Foreign Ministers Council recessed after a morning meeting today, still deadlocked on the question of sending out invitations for a 21-nation peace conference July 29.

Arguments that have marked Foreign Minister Y. M. Molotov's opposition to sending invitations for the conference unless they were accompanied by a strict code of rules for its procedure were presented again today in the face of pleas by Secretary of State Byrnes and Foreign Secretary Bevin to have the invitations go out immediately.

The American and British secretaries said they were willing to discuss procedure rules as suggestions, but would not attempt to foist them on the other nations.

Will Resume Later Today.
The ministers were to resume their session late today.

An American source said Russia was demanding that a two-thirds vote rule be extended to the peace conference plenary session.

At one point Mr. Molotov was reported to have accused the United States of trying to dominate the peace conference. He also argued that if the ministers did not decide in advance the rules they were running counter to the Trieste agreement.

Mr. Byrnes retorted that the United States always stood by its agreements and that at the peace conference the Trieste and all other agreements would be upheld. He also demanded that the agreement of last Thursday to call a peace conference be adhered to.

Would Limit Commissions.
The Russians also proposed to limit the membership of commissions to handle peace treaties of Romania, Hungary, Italy and Finland in the plenary conference to nations which actually went to war against each of the countries.

With a two-thirds vote Russia and nations in her sphere of influence would obtain a dominating voice in the final treaties for the Balkans.

Sources close to the Council said that failure to reach an immediate solution of the procedural problem on which the foreign ministers have been deadlocked since Friday might result in indefinite postponement.

(See MINISTERS, Page A-3.)

Reds Moving 54,000 Aliens Out of Austria

By the Associated Press

VIENNA, July 8.—About 54,000 native Germans and other foreigners were ordered by Soviet authorities to leave Austria by 6 a.m. today. A reliable source said they are to be sent to the French zone in Germany.

Russian Army trucks and vehicles of the Austrian Communist party were stationed outside the homes of foreigners affected by the order, which permitted them to take only 30 pounds of belongings.

The Austrian government was reported to have advised foreigners in the zone that only persons who could not leave Austria by the deadline of March 13, 1938, and those not complying with the order, Austrian authorities claim the order contradicts both the London and Moscow declarations on Austria.

The order was said to be closely connected with the confiscation of "German assets," which the Russians announced Saturday. Austrian officials said the Russians were claiming 75 per cent of the republic's industrial capacity.

Saturday's order called for the confiscation of \$22,000,000 worth of industry in Eastern Austria along with other "German external assets." The United States and Austria have protested Russia's insistence that property taken by the Germans after annexing Austria in 1938 is subject to seizure as German reparations under the Potsdam agreement.

House Unit Backs D. C. Slum Bill With McGehee Rental Limit

Public Housing Would Be Available Only To Lowest Fifth of Families by Income

By Harold B. Rogers

The House District Committee today voted out the long-pending slum redevelopment bill with provision that "public low-rent housing" constructed by the National Capital Housing Authority be restricted to families constituting the lower one-fifth of all family incomes in the District.

This action, Chairman McMillan said, would bring the measure up on the floor of the House either today or tomorrow, probably tomorrow.

The committee rejected by a vote of 7-3 a motion by Representative Randolph, Democrat, of West Virginia, to adopt the Senate version of the bill, which described public low-rent housing in more general terms.

After several minor amendments had been proposed, the committee, on motion of Representative Dirksen, Republican of Illinois adopted the revised version by unanimous vote.

Mr. Randolph announced afterward that he seconded the Dirksen motion in order to bring the issue out on the House floor. He said, however, he believed the Senate version of the bill was better for those whom it was intended to benefit.

The Senate proviso, stricken from the measure and replaced by the McGehee subcommittee recommendation, described low-rent housing as "that constructed by a public agency for families whose net family income does not exceed the income level as determined or from time to time redetermined after public hearing by the District Commissioners at which a family of comparable size may be reasonably able to afford to pay the lowest rental at which private enterprise is providing an adequate supply of decent, safe and sanitary housing."

The McGehee definition of public low-rent housing describes it as a public agency for families of low income at rentals which will be the value or cost to tenants of heat, light, water and cooking fuel) shall not exceed one-fifth of the highest net family income of families eligible for tenancy in such housing, as herein provided.

Public low-rent housing shall be available solely for such families of low income whose net family income does not exceed the maximum net family income falling within the lowest 20 per cent by number of all families in the District.

(Continued on Page A-3, Column 2.)

Arabs Warn Britain Of Civil Disobedience, Denounce Truman

Suggestion Made That President Open U. S. to Jewish Immigrants

By the Associated Press

JERUSALEM, July 8.—Threats of a possible Arab civil disobedience program in protest against Jewish immigration to Palestine were coupled today with an Arab slap at President Truman and a suggestion that he open America to Jewish immigrants "if he really is in sympathy" with them.

Dr. H. F. Khalidi of the Arab Higher Executive Committee said that group was drafting a new note to Britain warning that unless the British government took immediate steps to halt the illegal entry of Jews into Palestine there would be "a wave of non-cooperation by Arabs, followed possibly by civil disobedience."

"After that," the spokesman said, "the next step may be mass demonstrations by Arabs, and this executive will refuse to accept responsibility for them."

Reply to Truman Drafted.
Dr. Khalidi's statement came as the Executive Committee disclosed it already had drafted a letter to President Truman accusing him of "flagrant, empty and irresponsible statements" in connection with the problem of Jewish immigration to Palestine.

The White House had no comment today on the drafted letter asserting President Truman made "irresponsible statements." Press Secretary Charles G. Ross said only that he did not know whether Mr. Truman received such a communication.

The note was prepared in reply to a White House statement last Tuesday to the effect that the United States was prepared to assume technical and financial responsibility for the transportation of 100,000 European Jewish refugees to Palestine in accordance with recent recommendation of the British-American inquiry commission.

The Arab committee said it "would have liked to ignore this latest statement, but it is coming at a time when President Truman is begging for Jewish votes in the forthcoming presidential election."

"We do wish to remind the President, however," the note added, "that if he is really genuine in sympathizing with the Jews and their plight in Christian Europe, we advise him to open his White House doors to them or the doors of his American government."

Truman Urges British Loan as U. N. Policy Key

President and Byrnes Call for Approval as House Takes Up Credit

By the Associated Press

President Truman told the House today unless it votes the \$3,750,000,000 British loan, "it will be difficult, if not impossible, to proceed with the United Nations program for international economic co-operation."

Economic conflict between Great Britain and the United States, Mr. Truman said, would be "disastrous to the economic well-being of both countries."

The President and Secretary of State Byrnes personally made new appeals for the loan as some administration leaders privately voiced concern at how the House will vote. Debate on the loan starts today.

Mr. Truman appealed for consideration in the House by Democrats and Republicans, without reference to party affiliations.

Mr. Byrnes, in a telegram from Paris where he is participating in the Foreign Ministers' Conference, declared "The British loan is the first essential economic step toward peace and security."

Part of U. S. Economic Policy.
Mr. Truman wrote this letter which Chairman Spence of the Banking Committee planned to read to the House:

"I want to express my appreciation to you and to the Committee on Banking and Currency for the fine spirit in which you have considered the British financial agreement which is now before the House."

"The British financial agreement is an integral part of the international economic policy of the United States."

"Without this agreement it will be difficult, if not impossible, to proceed with the United Nations program for international economic co-operation."

"This program has had the wholehearted approval of Congress. It is the one way we can avoid the danger of a conflict in economic policy between the United States and the United Kingdom. Such a conflict would be disastrous to the degree of statesmanship in its handling and to the peace and security of the entire world."

"On such matters of international policy there must be no partisan division between Americans. Your committee has shown the highest degree of statesmanship in its hearings and report on the British financial agreement. The splendid example you have set will be an inspiration to all of us."

First Step to Security.
In his cablegram to Mr. Spence, Secretary Byrnes said:

"British financial agreement is more important to me than ever a prompt return to normal, healthy trade between nations is essential if we are to lay the foundations for permanent peace and prosperity."

"The British financial agreement should prove a powerful instrument to this end. It is the first essential economic step toward peace and security."

The measure, passed the Senate May 10 by a 46-34 vote.

House leaders, including Speaker Rayburn, held predictions of passage. But several influential legislators said privately they believe the outcome will be close. Poes said they "think we can beat it," but none claimed enough votes to do so.

Minnesota Primary Watched.
Both sides kept a close watch on today's Republican primary battle in Minnesota between Senator Shipstead and Gov. Edward J. Thye.

Sensor Shipstead is an outspoken critic of the proposed loan, and lawmakers say his renomination would swing votes against the legislation.

Only last month another last-ditch foe of the bill, Senator Butler, Republican, of Nebraska won renomination in a victory that since has been interpreted by some observers as an indication of a strong Midwest opposition to the financial agreement.

Another question certain to have a vital effect on the final vote is the international situation in the near few days, particularly as it applies to Britain and Russia.

Even supporters of the proposed loan concede that recent British handling of the tough Palestine question has cost the bill some votes.

Loan for 50-Year Period.
On the other hand, many legislators said that new criticism by Moscow of the western powers might build up support for the measure.

"If Premier Stalin would issue a hot blast or some sort at us, (See BRITISH LOAN, Page A-11.)

Only a Few Copies Of Eisenhower Report On War in Europe Left

Fewer than 500 copies of the final report by Gen. Dwight D. Eisenhower, supreme commander of the Allied forces in Europe, now being distributed at the Business Counter of The Evening Star, remain unsold.

The report, handsomely published by the Government Printing Office, details the planning, the invasion of France and the various campaigns which led up to the defeat of the Nazis. It contains a number of excellent relief maps which aid in an understanding of the strategy.

As long as the dwindling supply lasts, the copies will be sold at the GPO's standard price of \$1.

Auto Ad Brings \$1,750 Offer for \$1,110 Ceiling Car

Owner's of three 1946 model automobiles advertised the cars for sale yesterday and one of them reported an offer of \$1,750 today as compared with a previous ceiling price of about \$1,110 for the same make.

Announcing that the cars were getting it, one of the classified advertisements to sell a 1946 Ford Tudor brought several early offers and many inquiries, but the car had not yet been sold. At the advertiser's home it was said the best offer to date was \$1,750.

One of the other advertisements concerned a 1946 Ford Tudor de luxe model which had been driven 5,000 miles and would go "for the best cash offer." The third advertiser, with a 1946 Ford Tudor super de luxe, stated that the owner would "accept anything in trade or in cash."

Identity of the latter two owners was not disclosed.

A Ford dealer here said the ceiling price on the Tudor de luxe was \$1,188. There were the small additional charges for the radio and heater.